

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 99TH GENERAL ASSEMBLY

BILL NO: **HB 5681**

February 23, 2016

SPONSOR (S): Nekritz

SYSTEM(S): Chicago Teachers' Pension Fund

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**FISCAL IMPACT:** The fiscal impact would be minimal and confined to administrative expenses.

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**SUBJECT MATTER:** HB 5681 creates the Chicago Teachers' Pension Fund Health Insurance Task Force to study the program of health insurance coverage for pensioners currently administered by the Fund. The Task force shall provide a final report based on its study to the Governor of Illinois, the Mayor of Chicago, the Illinois General Assembly, and the Illinois State Library no later than January 31, 2017.

**COMMENT:** The Task force consists of eight members, 2 of whom shall be appointed by each the 4 legislative leaders, and four members, separately appointed by the board of trustees of the Fund, the executive director of the Retired Teachers Association of Chicago, the president of the Chicago Teachers Union, and the chairman of the Chicago Board of Education respectively.

A final report of the Task force shall discuss its finding and recommendations on the following concerns.

- The need for increasing maximum amount of annual payments paid by the Board, currently \$65,000,000, to reimburse the cost of recipients' health insurance coverage
- Moving the administration of the retiree health plan to another appropriate public or private entity
- Suggestions for an exit strategy and transition
- Consideration of alternative funding mechanisms
- Consideration of the proper role of fiduciaries in administering the health insurance program

Members of the Task force shall not receive any compensation and the Fund shall provide a meeting place and clerical support for the Task force. The Task force shall be abolished after completing its business.

JB:dkb

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